

RD AN No. 3706 (1942-A)
February 8, 2002

TO: State Directors, Rural Development

ATTN: Staff Responsible for Community Facilities
Loan Processing and Approval

FROM: James C. Alsop *(Signed by James C. Alsop)*
Acting Administrator
Rural Housing Service

SUBJECT: Determinations on Availability of Other Credit

PURPOSE/INTENDED OUTCOME:

This AN is being issued to provide a financial analysis tool for determination of the availability of other credit.

COMPARISON WITH PREVIOUS AN:

The purpose of this Administrative Notice (AN) is to replace AN No. 3616 (1942-A) dated February 16, 2001.

IMPLEMENTATION RESPONSIBILITIES:

All employees must emphasize use of the Community Facilities (CF) guaranteed loan program when meeting with potential applicants for CF direct loans or grants.

EXPIRATION DATE:
February 28, 2003

FILING INSTRUCTION:
Preceding RD Instruction 1942-A

Facilities operated by nonprofit organizations, public bodies, or tribal entities develop budget projections using rates that are necessary to meet the cost of operating the facility, including debt payment and reserve deposits. Proper analysis of nonprofit organizations requires that consideration be given to financing a facility using conventional terms, including loan guarantees.

A spreadsheet was developed to assist you in determining that other credit is not available. We are encouraging field offices to use the financial analysis document and spreadsheet for all direct loans as documentation that other credit is not available.

Copies of the spreadsheet were distributed at the Community Programs Policy Meeting in June 1999. A revised spreadsheet that combines the word processing document and the spreadsheet is located on the Intranet. Copies of the file may be downloaded from the Rural Development Intranet at http://rdintra.usda.gov/rhs_doclib.nsf by selecting CP Documents. Documents are filed under the heading Credit Analysis. If you are unable to obtain a copy of the electronic documents, you should e-mail Dan Spieldenner at the following address: dspiield@rdmail.rural.usda.gov.

For questions concerning this AN, please contact Dan Spieldenner, Senior Loan Specialist, (202) 720-9700.